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**'I'm Both a Worker and a Shareholder.'
Workers' Narratives and Property Transformations
in Postsocialist Bosnia-Herzegovina and Serbia**

Abstract. The authors offer an analysis of the property reforms that accompanied economic transformation in late socialist and postsocialist Yugoslavia, as experienced and narrated by industrial workers in Bosnia-Herzegovina and Serbia today. The property reforms carried out in these two countries between 1990 and the 2000s have profoundly influenced the narratives that workers form around their experience of economic transformation in the workplace. By analysing how industrial workers have developed a feeling of ownership towards their particular workplace, and how they now talk about that experience, the authors provide an explanation for workers' disillusionment and dissatisfaction towards privatisation reforms in recent years, and show how they have made sense of the seismic shifts in property relations that have accompanied economic reforms since 1989.

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Introduction

This article provides new insights into the ways that workers in postsocialist industrial settings in Serbia and Bosnia-Herzegovina (Bosnia, in the following) engaged with economic transformations during the late socialist era (1987-1990), the dissolution of Yugoslavia (1991-1999), and the postwar economic reconstruction since the late 1990s.¹ Throughout three decades of change, as we argue, workers have internalised notions of social property and have translated this sense into a 'feeling of ownership' that transcends the watershed moment of

¹ For a concise discussion on the relevance of emotions in the post-Yugoslav workplace cf. Chiara Bonfiglioli, Structures of Feeling after Yugoslavia, *IWMpost. Magazine of the Institut für die Wissenschaften vom Menschen / Institute for Human Sciences* 119 (2017), 20-21, https://issuu.com/institute_for_human_sciences/docs/iwmpost_119. All internet sources were accessed on 19 November 2017.

the Yugoslav dissolution. This understanding of ownership, informed by multiple sets of privatisation reforms and the particular experience of postsocialist transformation, has shaped workers' narratives. Here, the case of post-Yugoslav countries is particularly salient: workers accustomed to a self-managed setting preferred the workers'-shareholding privatisation initiated by the last socialist government but rejected privatisations implemented more recently (in the early 2000s). As we conclude, this is because the economic reforms of the 1990s had been embedded in the tradition of self-management, internalised by workers and influencing their responses to different waves of privatisation.

Scholars working on the post-Yugoslav context have recently directed their attention to the condition of the (post)socialist working class and to privatisation's effects on workplace relations. Sociologists, anthropologists, and historians have investigated workplaces and companies under late socialism and postsocialism – with a particular focus on Serbia, Croatia, and Slovenia.² From either a perspective of industrial relations or of culture and memory studies, the influence of Yugoslav self-management in the past has been acknowledged to have affected the contemporary postsocialist workplace.³ Yet there has been comparatively little research on the narratives that workers produce to make sense of developments in property relations within the industrial workplace. Recently, the literature on 'Yugonostalgia' has brought memory and experiences into the picture of (post-)Yugoslav labour and cultural studies.⁴ These

² Marko Grdešić, Mapping the Paths of the Yugoslav Model. Labour Strength and Weakness in Slovenia, Croatia and Serbia, *European Journal of Industrial Relations* 14, no. 2 (2008), 13–51, DOI: 10.1177/0959680108089187; Mihajl Arandarenko, Waiting for the Workers. Explaining Labor Quiescence in Serbia, in: David Ost / Stephen Crowley, eds, *Workers After Workers' States. Explaining Labor Quiescence in Post-Communist Europe*, Lanham et al. 2001, 159–180; Jake Lowinger, Economic Reform and the 'Double Movement' in Yugoslavia. And Analysis of Labor Unrest and Ethno-Nationalism in the 1980s, PhD Dissertation, Johns Hopkins University, Baltimore/MD 2009; Ivan Rajković, Struggles for Moral Ground. Problems with Work and Legitimacy in a Serbian Industrial Town, PhD Dissertation, University of Manchester 2015; Ildiko Erdei, Čekajući Ikeu. Potrošačka kultura u postsocijalizmu i pre njega, Belgrade 2012.

³ Tanja Petrović, *Jugoslawisches Erbe und Zukunftsperspektiven in postjugoslawischen Gesellschaften*, Berlin 2015; Andrea Milat, Der Aufstand der Kamensko-Arbeiterinnen. Wie dem Kapitalismus Widerstand zu leisten ist, in: Michael G. Kraft, ed, *Soziale Kämpfe in Ex-Jugoslawien*, Vienna 2013, 183–209; Nina Vodopivec, Textile Workers in Slovenia. From Nimble Fingers to Tired Bodies, *Anthropology of East Europe Review* 28, no. 1 (2010), 165–183; Predrag Marković, Wahrheit und Erinnerung an die Arbeit im sozialistischen Jugoslawien. Zwischen Kritik und Märchen vom Schlaraffenland?, in: Klaus Roth, ed, *Arbeit im Sozialismus – Arbeit im Postsozialismus. Erkundungen zum Arbeitsleben im östlichen Europa*, Münster 2004, 259–272; Marko Grdešić, Exceptionalism and Its Limits. The Legacy of Self-Management in the Former Yugoslavia, in: Stephen Crowley / Teri Caraway / Maria Cook, eds, *Working Through the Past. Labor and Authoritarian Legacies in Comparative Perspective*, Ithaca/NY 2015, 103–21, 18.

⁴ Tanja Petrović, 'When We Were Europe.' Socialist Workers in Serbia and Their Nostalgic Narratives, in: Maria Todorova, ed, *Remembering Communism. Genres of Representation*,

studies tend to juxtapose workers' attachment to the self-managerial norm of their socialist past with a grim postsocialist present. However, this very contrast tends to reify the (socialist) past and the (postsocialist) present, crystallising each into a static moment of 'then' and 'now', respectively. We argue that an array of property transformations, which encompasses more than the teleological vision of a 'transition' from a socialist to a capitalist economy, has affected workers' self-positioning vis-à-vis property relations in the workplace.⁵

We suggest that privatisation in the (post-)Yugoslav contexts can be better understood in relation to its social and cultural consequences. Adopting an anthropological approach to property relations, we thus understand privatisation to be not 'just' a transfer of capital from the state to private hands, but rather the transformation of 'political, economic, cultural, and social constructs and relationships through which persons are related to one another by things or values'.⁶ Specifically, we seek to broaden the concept of property to encompass social relationships and practices, and view property transformations in late socialist and postsocialist Yugoslavia as a 'major factor in constituting the identity of individuals and groups'.⁷ What we argue is that workers make sense of their past and present experiences through already familiar ideas of ownership and workplace relations that stem from the socialist and postsocialist experience.

In this context, we analyse 'working life stories', focusing on biographical aspects and personal reflections that range over the course of a person's working life.⁸ We draw on interviews as sources that enable a cultural and historical analysis of privatisation, adding the individual perspectives that have been overlooked in the established literature.⁹ We can thus understand privatisation as a process in the making, from which emerge workers' narratives of dispossession and resistance, as well as their present construction of a 'feeling of

New York 2010, 127-154; Mitja Velikonja, *Lost in Transition. Nostalgia for Socialism in Post-Socialist Countries*, *East European Politics and Societies* 23, no. 4 (2009), 535-51, DOI: 10.1177/0888325409345140; Chiara Bonfiglioli, *Gendering Social Citizenship. Textile Workers in Post-Yugoslav States*, *The Europeanisation of Citizenship in the Successor States of the Former Yugoslavia (CITSEE) Working Paper Series* 30, Edinburgh 2013, http://www.citsee.ed.ac.uk/working_papers/files/CITSEE_WORKING_PAPER_2013-30a.pdf.

⁵ Valerie Bunce, *Lessons of the First Postsocialist Decade*, *East European Politics and Societies* 13, no. 2 (1999), 236-243.

⁶ Katherine Verdery, *Property and Politics in and after Socialism*, *Revista Română de Sociologie* 19 (ser. 9), no. 1-2 (2008), 37-55, 40.

⁷ Alongside what was theorised in Keebet von Benda-Beckmann / Franz von Benda-Beckmann / Melanie W. Wiber, *The Properties of Property*, in: Keebet von Benda-Beckmann / Franz von Benda-Beckmann / Melanie W. Wiber, eds, *Changing Properties of Property*, New York / Oxford 2006, 1-39, 2.

⁸ Karolina J. Dudek, *Working Life Stories*, in: Ivor Goodson et al., eds, *The Routledge International Handbook on Narrative and Life History*, New York, London 2016, 225-236, 226.

⁹ Ivor Goodson, *Introduction. Life Histories and Narratives*, in: Goodson et al., eds, *The Routledge International Handbook on Narrative and Life History*, 3-10, 5.

ownership'. Different historical experiences—reform socialism, the sweeping changes of the early 1990s, war (1992-1999) and sanctions, and capitalist transformations—as well as the current situation have all contributed to the ways that workers have constructed a 'feeling of ownership' towards their workplaces. To illustrate our argument, we focus on two case studies, *Energoinvest* in Bosnia and *Jugoremedija* in Serbia.

Founded in Sarajevo in the 1950s, *Energoinvest* had become the fourth biggest producer in Yugoslavia by the early 1980s. In 1987, it employed between 50,000 and 55,000 workers.¹⁰ The company's headquarters in Sarajevo counted on heavy industrial production based in Bosnia (mines and factories) and a pool of joint ventures across the globe. The pharmaceutical factory *Jugoremedija*, a joint venture with the German company *Hoechst AG*, was part of the agro-industrial combine *Servo Mihalj* in Zrenjanin, Serbia. This medium-sized factory employed 500 workers at its peak in 1989. In the city of Zrenjanin, *Jugoremedija*'s workers were amongst the highest paid.¹¹ Even though the two companies were different in terms of size and industrial sector, their development and relative success in the national and international markets during the socialist period were analogous.

Firstly, we illustrate the principles of social ownership in the Yugoslav system of self-management and look closely at the experiences of work in socialist factories. Secondly, we discuss the first privatisation reforms undertaken from 1988 to 1991 in Bosnia and from 1988 to 2001 in Serbia, and follow workers' narratives formed around this initial privatisation. Finally, we reflect upon the post-2000 privatisation as an additional moment of change that has deeply affected what we delineate as a 'feeling of ownership'. Workers refer to these major changes in the 1990s and early 2000s as defining moments for their notion of ownership and their relationship to their own workplaces. Although their testimonies are informed by the current situation, these developments are the major events they refer to as having shaped their narratives, and thus we focus on them in our analysis.

A Word on Methodology

In this study, we have relied on oral history interviews as our main sources, which we have combined with archival materials such as factory newspapers and enterprise documents. The focus on these sources has allowed us to investigate workers' perspectives on change and has revealed how workers construct their

¹⁰ 10 najvećih proizvodnih organizacija udruženog rada u oblasti industrija i rudarstva, poljoprivrede i šumarstva i građevinarstva, *Ekonomska Politika*, 7 September 1987, 5.

¹¹ Lek za svet, *Kombinat*, 8 September 1989, 3.

sense of past experiences vis-à-vis their assessment of their current situation.¹² We view our material as a repository of both history and memory. In each factory, we have collected roughly thirty semi-structured interviews, mostly with white- and blue-collar workers but also with current and former managers. Most of the interviewees were between 40 and 70 years old, and thus experienced first-hand within the same workplace late socialist self-management, the collapse of Yugoslavia, and the privatisation reforms in its wake. Some of these respondents were members of workers' councils or unions at some point in their working lives; very few had been members of the Communist Party. Some were veterans of the conflict in Bosnia (1992-1995) and Croatia (1991-1995). Most of them struggled as a consequence of privatisation reforms; most are now unemployed and endure a low standard of living. All these factors inform their narratives.¹³

Self-Management and Social Ownership in Late Socialist Yugoslavia

The predominant form of property relation in socialist Yugoslavia was neither state-owned nor private, but social. Self-management was introduced in factories after 1950. After the conflict with the Soviet Union in 1948, the principle was re-modelled and re-enforced to distance the Yugoslav practice from the Soviet model of a state-planned economy and state ownership. With self-management as the principal form of organisation within society, workers were elected as the central actors for decision-making on the shop floor. Self-management's main architect, Edvard Kardelj, clarified that factories should be organised according to egalitarian relations, where 'no one can, on the basis of [social] ownership [...] acquire a superior position in relation to other workers'.¹⁴ Workers were thus nominally in charge of the distribution and administration of resources in the factories.

Furthermore, social ownership was defined not as a system of relationships between people and things, but as relationships between people.¹⁵ As such, companies across Yugoslavia were not formally owned by anyone but by society at large; self-management would ensure the 'right of every citizen to freely

¹² Harald Welzer, *Das Interview als Artefakt. Zur Kritik der Zeitzeugenforschung*, in: Julia Obertreis, ed, *Oral History. Basistexte*. Stuttgart 2012, 247-260; Indira Chowdhury, *Oral Traditions and Contemporary History-Event, Memory, Experience and Representation*, *Economic & Political Weekly* 49, no. 30 (2014), 54-59.

¹³ In the following, we use only the first names of our interviewees, which sometimes, upon request, were changed to ensure anonymity.

¹⁴ Edvard Kardelj, *Samoupravljanje i Društvena Svojina*, Sarajevo 1982, 223.

¹⁵ Edvard Kardelj / Miroljub Labus, *Društvena ili Grupna Svojina*, Belgrade 1987, 26.

dispose of the fruits of their own labour'.¹⁶ From 1963, when self-management was officially included in the constitution, social ownership was based on the idea that ownership would be nobody's and everybody's, with management given over to workers' and citizens' collectives.

Although according to self-management theory there would be equality in decision-making between workers and managers, employees often criticised workers' councils for their lack of effectiveness and representativeness. Sociological studies had already revealed in the 1960s that the workforce's elected representatives in the workers' councils, envisioned as the most powerful entity of self-management, had essentially less influence on decision-making than managers.¹⁷ The liberal reforms of the 1960s opened up a wider gap between management and workers with regard to decision-making and to wage differences. The reforms leading towards the Act of Associated Labour (*Zakon o udruženom radu*) in 1976, aimed at empowering mechanisms of workers' management, could not reverse these tendencies. The influence of workers' councils and workers' decision-making experienced even further decline during the 1980s. As Mrkšić has emphasised, managers used their political power to influence decisions in the factory.¹⁸ In the workers' councils, workers, mostly preoccupied with questions of the distribution of housing and wages, found it increasingly difficult to fully put their management and ownership rights into practice.¹⁹ During council meetings active participation was largely confined to the representatives of management and (external) experts, especially when it came time to consider technical development or investments.

Workers' Narratives of Self-Management and Social Ownership

Workers' recollections of the experience of self-management within *Energoinvest* and *Jugoremedija* reveal their ambivalence towards socialist self-management. In particular, these workers did not soft-pedal their views of the functioning of the workers' councils and the extent to which there had actually been genuinely democratic decision-making. For example, while the elected members of the workers' councils referred positively to self-management in

¹⁶ Edvard Kardelj, *Self-Management and the Political System*. Socialist Thought and Practice, Belgrade 1980, 131.

¹⁷ Rudi Supek, *Probleme und Erfahrungen der Jugoslawischen Arbeiterselbstverwaltung*, in: Klaus-Detlev Grothusen / Othmar Nikola Haberl / Wolfgang Höpken, eds, *Jugoslawien am Ende der Ära Tito*, München 1985, 159-185, 171; Josip Županov, *Samoupravljanje i društvena moć*, Zagreb 1985, 132.

¹⁸ Danilo Mrkšić, *Predstave o političkoj stratifikaciji u samoupravnom preduzeću*, in: Mihailo Popović et al., eds, *Srbija krajem osamdesetih*. Sociološko istraživanje društvenih nejednakosti i neusklađenosti, Belgrade 1991, 409-465, 421.

¹⁹ Harold Lydall, *Yugoslavia in Crisis*. Business and Economics, Oxford 1989, 76.

their factories, other workers were mostly disappointed.²⁰ As Darko, a blue-collar worker from *Jugoremedija*, reflected:

'The social property and the idea that workers would be managing their factories, an idea upon which our former political leaders had sworn, that was a total lie. The authority in all companies during socialism had the general manager, the public and political servants, and at the bottom single bosses or workers organised in the trade union. But the trade union stood behind the general manager.'²¹

Workers from *Energoinvest* factories across Bosnia were similarly critical of self-management. They admitted that their decision-making power was limited in terms of both the nature and hierarchy of decisions. Šaban, a factory worker in an *Energoinvest* foundry in Tuzla, commented:

'That system too had its defects. We would discuss for three hours in the workers' council, then we would receive a call from the top and we would be told what decision to take. It would come from the [party] committee. The decision would be taken already, and that would be it.'²²

For the workers interviewed, the overbearing presence of the League of Communists in Yugoslavia hindered the functioning of workers' self-management. However, as the following testimony highlights, this view was accompanied by positive remarks about workers' relations with their managers, in spite of their party's influence. Mladen, an engineer in *Energoinvest IRIS* (an engineering and IT company) in Sarajevo, was a representative on his workers' council. He recalled:

'We dealt with salaries, with workers' rights, business trips or all sorts, not with new investments. It worked fairly well, and that was on our local level. There was a certain hierarchy and everything was decided in advance by the central board of directors, and by our first director Marko, and, well, it was certain that if Marko decided something it would be that way. But of course, he never did anything wrong ... ok, he was a member of that Communist Party, very devoted I must say, but well we didn't feel it ... and we enjoyed it.'²³

This last comment shows the varying dimensions of social relations in the factory. In this case, Mladen feels comfortable criticising workers' self-management as ineffectual, and even ironically remarks on the power of his director. However, he adjusts his criticism by noting how this did not particularly affect his experience in the workplace, which was more strongly shaped by a sense of

²⁰ Supek, *Probleme und Erfahrungen der jugoslawischen Arbeiterselbstverwaltung*, 180.

²¹ Darko, interview with Jurkat, *Jugoremedija*, Zrenjanin, 4 February 2014. Cf. Kathrin Jurkat, *Erosion of Self-Management. A Yugoslav Factory in Post-Socialist Transition*, *SEER. Journal for Labour and Social Affairs in Eastern Europe* 20, no. 1, (2017), 101-116, 105, DOI: 10.5771/1435-2869-2017-1-101.

²² Šaban, interview with Calori, *Energoinvest*, Tuzla, 29 April 2016.

²³ Mladen, interview with Calori, *Energoinvest IRIS*, Sarajevo, 17 July 2014.

trust towards the management. Trust and mutual respect, recurrent themes amongst our interviewees, shaped their views of workplace relations.²⁴ These themes' prevalence was partly due to the economic prosperity enjoyed by both companies, which meant that work stoppages and strikes—common in Yugoslavia—were infrequent even during the economic crisis of the late 1980s and the beginning of the 1990s. Employees attributed the success of their company to the management's expertise. Ana, a blue-collar worker at *Jugoremedija*, said:

'This group of people that were our managers ... Financially they had a bit of knowledge of what pharmaceuticals [the pharmaceutical industry and the branch] meant. For you, as a worker, it was not important. Everything worked and you had the feeling that your whole life would be like that.'²⁵

When reflecting on their experience of the socialist past, workers rarely idealised the workplace as an idyllic space where they exerted full control; rather, they referred to the strictness of rules and the working ethos during the time of self-management. For example, for the pharmaceutical company *Jugoremedija*, hygienic standards were one of the most important sets of rules enforced by the management. Talking about the general manager, Ivana, a blue-collar worker, commented:

'He never sat in his office, he was just walking around. The whole day. With a white rag, he went over the windowsill and called the cleaning lady to ask why there is dust. Everything had to be in line. But he cherished work and workers.'²⁶

Ivana here, like Mladen above, points to the workers' ambivalent relationship towards management. On the one hand, they admired the general manager's commitment to the factory and trusted his decision-making.²⁷ On the other hand, workers viewed the general manager's display of power on the shop floor as a strategy to enforce discipline. In this context, it was the interplay of authority, closeness, and trust that created a certain kind of affection towards the workplace. Interviewed workers generally see hierarchies not in a negative light but as a helpful means to ensure success in their company. Contesting the boundaries of the formal and informal order inside the factory while accepting or tolerating the managers' authority allowed one to make a social space 'one's own' through an active involvement in shaping it.²⁸

²⁴ Tatjana Thelen, *The Loss of Trust. Changing Social Relations in the Workplace in Eastern Germany*, Max Planck Institute for Social Anthropology Working Paper 78, Halle 2005, <http://www.eth.mpg.de/pubs/wps/pdf/mpi-eth-working-paper-0078>.

²⁵ Ana, interview with Jurkat, *Jugoremedija*, Zrenjanin, 26 February 2014.

²⁶ Ivana, interview with Jurkat, *Jugoremedija*, Zrenjanin, 11 November 2015.

²⁷ Here we use the male pronoun for general managers as in both cases these were positions covered by men.

²⁸ Ulrike Schult, *Zwischen Stechuhr und Selbstverwaltung. Eine Mikrogeschichte sozialer Konflikte in der jugoslawischen Fahrzeugindustrie 1965-1985*, Berlin, Münster 2017, 144.

When reflecting upon the self-managed workplace, the workers show an awareness of the socialist system's many contradictions.²⁹ They acknowledge that the self-managed workplace was also characterised by internal conflicts, though these were often downplayed by the workers themselves. For example, Jovana, a blue-collar worker at *Jugoremedija*, stated: 'On the shop floor there were different kinds of people. I think it was not a terrible fight, some want this, and some want that. I was like at home. [...] And after a while you are laughing. We were a family.'³⁰

For Jovana, these social interactions, not exclusively positive, made her compare the everyday life of the factory with that of a family. The vast majority of interviewed *Energoinvest* workers reported feelings of affection towards, and a deep familial connection with, their workplace and their colleagues.³¹ Edis, a factory worker in the transmission-lines factory *Energoinvest TDS* in Sarajevo, commented: 'We all felt like it was our second home. We all felt like that, because we lived off that and we took care of it.'³²

Here, taking care of one's workplace was not just a matter of dedication towards the premises where one worked; it was also an investment in its development. In fact, throughout the self-management years, part of the annual revenue was re-invested in the company's growth. As such, workers were aware that part of what would otherwise have been paid to them in salary was contributing to the company's advancement. Crucially, this increased their sense of attachment to their workplaces, and the feeling of entitlement to its ownership.

This strong bond, combined with the ideological and at times paternalistic public discourse of social ownership, shaped the relationship between workers and their workplaces. As has emerged from our analysis, this 'feeling of ownership' was only minimally constructed through the management of the workers as prescribed by the Yugoslav ideology; rather, it was triggered through (occasionally conflicting) social relations inside the factory, as well as through the manifold welfare rights and services that the companies and the trade union provided (housing, holidays, health care).³³ Also, the reinvestment of part of

²⁹ For a detailed analysis of exemplary shop floor conflicts Schult, *Zwischen Stechuhr und Selbstverwaltung*.

³⁰ Jovana, interview with Jurkat, *Jugoremedija*, Zrenjanin, 17 April 2015.

³¹ We see the affection of workers towards their workplace not as a specifically socialist phenomenon that shapes also the postsocialist space but as an integral part of Western capitalist workspaces like those discussed in Mao Mollona, *Gifts of Labour. Steel Production and Technological Imagination in an Area of Urban Deprivation – Sheffield, UK*, *Critique of Anthropology* 25, no. 2 (2005), 177-192, DOI: 10.1177/0308275X05052022.

³² Literally, '*čuvali smo je*'. Edis, interview with Calori, *Energoinvest TDS*, Sarajevo, 17 February 2016; for a discussion on economic care in postsocialism André Thiemann, *State Relations, Local State and Social Security in Central Serbia*, PhD dissertation, University of Halle 2015.

³³ Rory Archer, *Social Inequalities and the Study of Yugoslavia's Dissolution*, in: Florian Bieber / Armina Galijas / Rory Archer, eds, *Debating the End of Yugoslavia*, Surrey 2014, 135-151.

the company's revenue into the development of one's factory, rather than being spent on individual salaries, shaped workers' 'feeling of ownership'. To sum up, workers grounded their sense of attachment towards their workplace in two crucial areas: interpersonal relations with colleagues and management, and the financial investment that closely tied them to their factories.³⁴

The 'Marković Reforms'. The First Privatisation Phase in 1990

After the death of Tito, the 1980s in Yugoslavia were rife with debates concerning economic, political, and social transformations. The economic crisis that hit the country after the 1979 oil shock was so severe that it demanded a prompt reaction from the political leadership. Stabilisation programmes were followed by a rapid increase in inflation, which resulted in hyperinflation during the second half of the 1980s. Late in that decade a series of economic reforms by the government of Branko Mikulić (1986-1989) aimed to break through Yugoslavia's economic impasse by progressively opening up the country to the mechanisms of a market economy, partly by drawing on the tradition of market socialism as it had been developed in Yugoslavia since the early 1960s.³⁵ These reforms were amongst the first steps towards the transformation of social ownership and the self-management system in the factories, and deepened the market economy in the country. The Enterprise Law (*Zakon o Preduzećima*) of 1988 marked the first transformation of the socialist Organisations of Associated Labour (*Organizacije Udruženog Rada*, OUR) into companies; the law introduced multiple forms of enterprises (complex enterprises, enterprises with private, public, or mixed ownership, etc.), and further regulated how they would be managed.³⁶

However, Mikulić's reform programme failed to obtain full support from the federal leadership, which already bore the signs of internal division amongst the representatives of the various republics; moreover, social unrest peaked under his government.³⁷ After Mikulić's resignation in January 1989, Ante Marković became the new prime minister of federal Yugoslavia, thanks to his programme of economic reforms that introduced a new concept of internal privatisation through workers' shareholding.³⁸ This privatisation model was expected to

³⁴ We are aware of similarities with large enterprises in Western European economies in the 1960s and 1970s that had a similarly strong labour force; while it would be interesting to follow up on this, such a comparison is beyond the scope of this article.

³⁵ Vladimir Unkovski-Korica, *The Economic Struggle for Power in Tito's Yugoslavia. From World War II to Non-Alignment*, London 2016, 230

³⁶ *Službeni List SFRJ* 44, no. 77 (1988), 1942-1956.

³⁷ Nebojša Vladislavljević, *Serbia's Antibureaucratic Revolution. Milošević, the Fall of Communism and Nationalist Mobilization*, New York 2008, 111.

³⁸ Raif Dizdarević, *From the Death of Tito to the Death of Yugoslavia*, Sarajevo 2009, 179.

partly displace social ownership and acknowledge the value of workers' capital as had been accumulated through prior labour, which gave them the right to own or purchase shares. Furthermore, it was meant to recognise workers and other internal shareholders as 'the owners of social property'.³⁹ As additionally argued by economic experts advising his government: 'employee shareholding seems one of the most pragmatic solutions for the transformation of the social sector, since it is very close to our lengthy tradition of self-management.'⁴⁰ It was thus made more acceptable for workers, who had internalised the concept of social ownership and were looking to utilise their attachment to it in pragmatic ways. Many of them had already recognised that workers' management was cosmetic in nature; it was only natural, then, to leave managerial and executive tasks to a trusted managerial body and exercise one's shareholding rights (participating in the shareholders assembly, deciding investments, and benefiting from revenues).⁴¹ Reformists found in 'ownership pluralisation', i. e. in the redistribution of ownership rights amongst workers and a few private entities, a potential solution to companies' inefficiency.

Internal shareholding, as implemented in the late 1980s and the early 1990s, was presented to workers as the first step of a transformation from social to private property. It would lead, management argued, to more efficient decision-making and offered an exit out of the economic crisis. Workers at *Jugoremedija* and *Energoinvest* mostly welcomed it, as it would have monetised social ownership as shares and thus implied beneficial revenue. Throughout Yugoslavia, workers' understanding of property transformation rapidly changed. While in 1990 workers still tended to prefer social ownership, by 1992 around 30% of them favoured the model of employee-owned property and 20% favoured the sale of social ownership.⁴² In some large companies the economic reforms of the late 1980s, entailing a wage freeze in 1988 and a significant reduction in workforce numbers, were met with hostility from the workers.⁴³ In others — generally those more profitable and market-oriented — reforms were welcomed. *Jugoremedija* and *Energoinvest*, following a similar trajectory to that of the latter group, remained comparatively successful even during the economic crisis; their workers supported internal shareholding.

³⁹ Bogomir Kovač, Program prestrukturiranja jugoslovenske privrede izmedju iluzija i realnosti, in: Nebojša Savić, ed, Prestrukturiranje, razvojni ciklus i privatizacija, Brijuni / Belgrade 1990, 42-51, 47.

⁴⁰ Daniel Cvjetičanin / Diana Dragutinović / Nina Petrović, O tržištu kapitala u Jugoslaviji, in: Savić, ed, Prestrukturiranje, Razvojni Ciklus i Privatizacija, 180-187.

⁴¹ Kovač, Program prestrukturiranja jugoslovenske privrede, 43.

⁴² Slobodan Vuković, Čemu privatizacije?, Belgrade 1996, 141.

⁴³ Ernst Lohoff, Der Dritte Weg in den Bürgerkrieg. Jugoslawien und das Ende der nachholenden Modernisierung, Bonn 1996, 116.

The Law on Property Transformation in Bosnia and Serbia

With the first law on privatisation, the 'Law on Social Capital' (*Zakon o Prometu i Raspolaganju Društvenim Kapitalom*) implemented in 1989, social property could be transformed into private, group, or mixed property.⁴⁴ Speaking before the Federal Chamber, Ante Marković proposed that 'workers may decide to put up social capital for sale, and it can be purchased by all domestic, foreign, legal, and physical persons'.⁴⁵ Workers and the management could buy shares in their factories and thus become co-owners.

However, after the disintegration of Yugoslavia, the laws of property transformation differed in the successor states and were implemented at different moments. In Bosnia, the Marković laws were enforced between 1989 and 1991. In this period, *Energoinvest* underwent a property transformation that turned the company into an entity based on internal shareholding. Yet workers collectively could purchase only 49% of the company's overall capital. The reason, according to the company:

'Selling the majority of capital to workers will appear as a quasi-self-management and [...] foreign investors [...] would not want to either invest or buy part of a company in which the majority of the ownership is in the hands of the workers. [...] We think that capital intensive companies in *Energoinvest* are a less risky place for investment.'⁴⁶

At this moment, the percentage of internally privatised capital in each factory or company within *Energoinvest* varied greatly. The law, in fact, allowed workers to buy shares and pay for them later, as long as they did so within ten years of the beginning of the process. Factories like *Energoinvest Automatika* in Sarajevo saw their workers buying roughly 40% of these shares, while in other factories the percentage of privatised shares was between 2% and 5%.⁴⁷ However, one should not conclude that workers lacked interest in internal privatisation because of the relatively small percentage of shares that they purchased.⁴⁸ Rather, the reason for the small percentage is that the process did not have the time to unfold properly: it was prematurely halted by the outbreak of the civil war in 1992.

In Serbia, the laws on privatisation underwent several changes during the 1990s. *Jugoremedija* was one of the rare examples in Serbia of a company that

⁴⁴ *Službeni List SFRJ*, no. 84 (1989), 2043.

⁴⁵ Consensus for Market Economy, Legal State and Democratic Society, statement by Ante Markovic at the SFRJ Assembly, in: Federal Executive Council Secretariat for Information, ed, *Yugoslav Changes. Addresses and Statements by Ante Markovic*, Yugoslav Prime Minister, Belgrade 1990, 107.

⁴⁶ *Energoinvest Statute 1990, Informativni Glasnik Energoinvest s.p.* 3, 27 December 1990, 5-6.

⁴⁷ *Privatizacija privatiziranog preduzeća?*, *DANI*, 15 December 2006, 16.

⁴⁸ Milica Uvalić, *Investment and Property Rights in Yugoslavia. The Long Transition to a Market Economy*, Cambridge 1992, 185.

implemented nearly every model of privatisation.⁴⁹ The pharmaceutical factory started its property transformation in 1993, as decided by the workers' assembly. Due to hyperinflation, this process was halted and the value of the company was re-evaluated in 1994, following an amendment of the 1991 law. Through 2001, shortly before a new law was implemented, the company was almost completely socially owned. Just 0.31% of its overall capital was in the hands of shareholders. Then, in January 2001, *Jugoremedija* underwent privatisation under the 1997 Law of Ownership Transformation (*Zakon o svojinjskoj transformaciji*). This allowed current workers, pensioners and former workers to obtain shares free of charge, depending on how long they had worked in the factory; public employees or other 'outsiders' were also able to become small shareholders. In the end, around 28% of *Jugoremedija*'s overall value was owned by workers and pensioners, with an additional 30% in the hands of external small shareholders; the rest of the social property was nationalised. Some eighteen months later, under the new privatisation law of 2001, *Jugoremedija* continued its privatisation. Through auction, the state-owned shares (42% of the company's value) were sold to the Macedonian company *Jaka* 80.⁵⁰

Workers' Understanding of the First Property Transformation

In their narratives, workers from *Energoinvest* and *Jugoremedija* often remark how they had grown disillusioned with the model of self-management. From their perspective, a privatisation that granted them shareholding rights seemed to be in their favour. For example, workers at *Energoinvest* had felt widespread disappointment towards the self-management mechanisms, which caused them to question the existing system and to favour the model of property transformation introduced in the Marković era. Edin, a white-collar worker from *Energoinvest TDS*, observed:

'I think that [self-management] was more an illusion than reality. The decisions were always taken somewhere else, and the plans prepared elsewhere. And now this [Marković] privatisation was the exit from that illusion. Because then you would have your share in all that, and that is the feeling of ownership.'⁵¹

For blue-collar workers, the first property transition—closely connected to the dissolution of the workers' council and thus with the restriction of their

⁴⁹ Branko Radulović / Stefan Dragutinović, *Studija slučaja. Privatizacija u Srbiji*, Belgrade 2014, 143, <https://www.slideshare.net/NALED/studija-sluaj-pet-uspenih-i-pet-neuspenih-privatizacija-u-srbiji>.

⁵⁰ Milica Uvalic, *Privatisation and Corporate Governance in Serbia (FR Yugoslavia)*, Florence 2001.

⁵¹ Edin, interview with Calori, *Energoinvest TDS*, Sarajevo, 17 February 2016.

self-management rights—was predominantly welcomed. Zoran Rakić, the last president of *Jugoremedija's* workers' council, said:

'It is a fact that the abolishment of the workers' council was accepted by everybody. Everybody voted because it was too much and nearly nobody was against it. Everybody could not wait for this to happen.'⁵²

In both cases, the dissatisfaction towards self-management merged with the beneficial prospect of becoming co-owners of a company or factory, cherished by workers as the source of their income and status.

Moreover, as noted, a common policy in self-managed companies was to re-invest part of their annual surplus in the development of the factory rather than to use it to increase workers' individual salaries or give them bonuses. The term 'profit', however, was controversial and, considered to be too close in its connotations with capitalism, was avoided. This terminological choice was important—as interviewees often remarked—because it constituted another fundamental basis for a 'feeling of ownership' towards their company, which led them to appropriate and accept the ideology of the Marković government's 'gradual' privatisation. Workers had expressed the desire to become shareholders in accordance with the Marković laws because of their previous investment in their own factories. Asim, a factory worker for *Energoinvest TDS*—one of the most profitable factories specialising in electric pylons and transformers—explained his support for the shareholding transformation proposed by the Marković government as follows:

'That [the Marković privatisation] was ok, because it was a contribution for the workers. Because these factories were made by us, I have made this factory personally, it was built while I was working here. We allocated a part of our salaries for the construction of these factories, for their development. And so it was normal that I should have some participation in it, and that is why I bought those shares. We wanted to be co-owners. Those shares were mine, so if the factory decided to sell them I would be a shareholder and I would get a percentage of that.'⁵³

In this context, allocating part of one's salary towards factory shareholding was a crucial element of the first privatisation reforms, creating consensus amongst workers and fostering a 'feeling of ownership' towards their workplace.

In the case of *Energoinvest*, workers were allowed to purchase shares in their own factory, enabling the connection between a feeling of attachment to one's workplace and personal financial benefit. Relevant here is the socio-economic situation of the time, marked by a significant economic crisis and a drop in living standards. As Dževad, an engineer in a profitable *Energoinvest* factory, remarked:

⁵² This is a quote from the documentary film 'Radničko Samoupravljanje. Jedno Iskustvo', directed by the association Ravnopravnost Zrenjanin 2011, in which Zoran Rakić was interviewed.

⁵³ Asim, interview with Calori, *Energoinvest TDS*, Sarajevo, 6 April 2014.

'People thought that they will receive some benefits in a certain way, that they will be owners, and that they would be richer. It was not really important whether a director or the state would be in a management position; they rather thought that through their ownership they would be a bit richer.'⁵⁴

Some of *Jugoremedija*'s workers, too, expected some financial gain from the sale and acquisition of shares:

'They thought that a new time is coming and that democracy is coming which would ensure that everybody got shares and be owners and get their cash dividends.'⁵⁵

At the same time, workers for *Jugoremedija* noted that what made them assent to the property reforms of 1993 and 2001 was trust in the company's management and in their expertise.⁵⁶ Workers acknowledged that they had not been fully aware of the implications of the privatisation reforms in the 1990s. Ivan, a representative of the trade union, noted that the workers' union had explained what the property transition meant, but the reality was hard to clarify:

'It was hard for people to pass from one system to another. People understood this factory as theirs. Through this privatisation law they got some percentage of the shares and they were happy. But it was hard to explain what the privatisation meant.'⁵⁷

In the case of *Jugoremedija*, some workers stressed that this lack of awareness was a consequence of the hardships they had experienced during the 1990s.⁵⁸ Others welcomed the property transformation, since it would entitle them to receive a proportion of the company's profits. Like their colleagues in Bosnia, they also understood the reforms of the 1990s to be a consolidation of their ownership rights.

The implementation of the first major property reforms in Bosnia in the early 1990s and in Serbia throughout the 1990s inclined workers to see in them an opportunity to make the 'feeling of ownership' they had developed towards their workplaces seem more tangible. This sense of opportunity was also due to the comparatively strong performance in the global market by both companies in Serbia and in Bosnia, even during the early 1990s. Thus workers saw additional profit to be made through shareholding. The mounting dissatisfaction with the mechanisms of self-management, the consolidated trust in the general management as a whole, and the prospects of financial reward were all factors which,

⁵⁴ Dževad, interview with Calori, *Energoinvest d.d.*, Sarajevo, 16 December 2016.

⁵⁵ Goran, interview with Jurkat, *Jugoremedija*, Zrenjanin, 15 April 2015. Cf. Jurkat, *Erosion of Self-Management*, 113.

⁵⁶ Ivan Tchalakov / Nikula Jouko, *Innovations and Entrepreneurs in Socialist and Post-Socialist Societies*, Cambridge 2013; Nina Vodopivec, *Social Memory of Textile Workers in Slovenia*, *Slovene Studies* 30, no. 1 (2008), 63-78, 71.

⁵⁷ Ivan, interview with Jurkat, *Jugoremedija*, Zrenjanin, 8 September 2016.

⁵⁸ Jurkat, *Erosion of Self-Management*, 114.

combined, fostered workers' support for privatisation reforms. These aspects informed the reforms legally through the mechanism of internal shareholding, paralleled by a partial decrease of workers' management rights. These changes were hardly seen as some 'step backwards in Yugoslavia', 'sugarcoating the pill' of the workers' loss of management rights—as critics of late socialist market reforms have argued.⁵⁹ Rather, workers saw in them the opportunity for monetising their rights to social property by becoming collective shareholders.

Regime Changes. Ownership Expectations within Capitalist Reconstruction

The respective paths of *Energoinvest* and *Jugoremedija* began to split after the first privatisation reforms of the early 1990s. These two factories were embedded in progressively more divergent social and economic contexts, and thus will be accounted for separately in the following sections.

In Bosnia, the war of 1992-1995, the re-nationalisation of companies in 1994, and the subsequent cancellation of privatised company shares together played a crucial role in workers' understanding of the postsocialist transformation. Afterwards, the set of privatisation reforms implemented between 1997 and 2002 resulted in the progressive collapse of *Energoinvest* and in its workers' marginalisation.

In Serbia, it was just after the regime change in October 2000, and after the implementation of a more liberal privatisation reform, that workers' perception of ownership changed. In the case of *Jugoremedija*, the fear that one would lose company shares and indeed one's very workplace changed the 'feeling of ownership' tremendously, leading workers to fight for their shareholding rights.

In the following sections we explore the reasons why such concepts related to workers' shareholding still linger in workers' current narratives. As we illustrate, the late 1990s and early 2000s constitute a moment of rupture in the workers' narratives of 'transition' since, for different reasons, they had been in favour of the reforms of the 1990s. Conversely, when the consequences of privatisation threatened their ownership rights, workers resorted to recalling their previous experiences of privatisation to make sense of these new transformations and to react to them.

⁵⁹ For example, Catherine Samary, *The Fragmentation of Yugoslavia. An Overview*, Amsterdam 1993, 27.

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in Bosnia's Postwar Setting*

For *Energoinvest*, the first privatisation reforms were halted after the outbreak of war in 1992. However, in November 1994, with the conflict ongoing, a full nationalisation of all 'social property' in Bosnia was announced. This meant a de facto transfer of most of Bosnia's companies to the state and its direct control.⁶⁰ With this first transformation we find workers' 'feeling of ownership' towards their own factories began to change under the pressures of a new historical contingency. In fact, many of those who had expressed interest in acquiring or who had purchased their factory shares during the Marković reforms discovered only upon return from the war's frontlines that their factories had been nationalised and, in many cases, that the records of previously purchased shares were lost. This relatively sudden and unexpected development created much animosity and a widespread sense of betrayal amongst workers, who felt deceived by the very state they had been called upon to defend. As bitterly stated by Azem, a blue-collar worker in *Energoinvest TDS* and a veteran of the Army of the Republic of Bosnia and Herzegovina (*Armija Republike Bosne i Hercegovine*):

'We all had those shares [from the Marković time], but they simply disappeared, they were moved from social to state ownership, they were all nationalised. While we were working, fighting, they have transferred it into state ownership, and then they were able to sell the factories.'⁶¹

Privatisation resumed in 1998, though under very different circumstances. A new model of rapid mass privatisation was implemented through the distribution of certificates or vouchers to the wider population, corresponding to a set percentage of overall state capital. A common policy across the postsocialist states of the eastern bloc, voucher privatisation had often resulted in controversial capital transfers from private citizens to investment funds.⁶² However, in the case of Bosnia, the same property that was now up for privatisation, as workers later came to know, would not be assigned specifically to them as former employees. An individual could claim rights to it as a citizen and, additionally, as a veteran. Since the Bosnian state had little available liquidity, it opted to pay soldiers' salaries in vouchers. While it had been common in Yugoslavia to grant special privileges to former partisans, social property was not directly one such privilege. In postwar Bosnia, the distribution of property rights was conducted

⁶⁰ Službeni List RBiH, no. 33, (1994), 470.

⁶¹ Azem, interview with Calori, *Energoinvest TDS*, Sarajevo, 6 April 2016.

⁶² Joseph E. Stiglitz, Quis custodiet ipsos custodiet? Corporate Governance Failures in the Transition, Keynote at the Annual Bank Conference on Development Economics – Europe. Governance, Equity and Global Markets, Paris, 21-23 June 1999, 11.

at the entity level (Federation of Bosnia and Herzegovina, and Republika Srpska) and responded to specific national ideologies.⁶³

Subsequently, workers' entitlement to former 'social property' depended on their participation in the war; even then, it was not strictly linked to their specific workplace but only corresponded to a share of overall state capital.⁶⁴ Many small shareholders did not really understand that the value of certificates did not directly correspond to shares in their own companies. Concern mounted that certificates would quickly be devalued, as many sold them on the black market.⁶⁵ This practice occurred across Bosnia, as the impoverished population had no means other than selling vouchers to provide for their basic needs. In many cases, war profiteers bought vouchers and certificates from the most vulnerable and used them to buy state-owned property and assets for a very small fee.⁶⁶ Thus the certificates' value substantially decreased: apparently more than 99% of them were traded at 3% of their nominal value. At the end of 1999, the majority of certificates in the Federation had been used to purchase flats, with the rest being sold on the black market.⁶⁷ Given the great sociopolitical and economic instability, certificates not only lost value very quickly due to dubious selling mechanisms but were also stripped of the meaning they had once had for workers. As Edin, a white-collar *Energoinvest* worker, remarked: 'You know, one thing is if you pay for something in your own factory, you paid for it, so you take care for it more... but if you get something for free [like certificates] ... well then you do not care that much, it is different.'⁶⁸

Because of the situation, workers and their representatives began to feel resentment, precisely because they had expected that they would be compensated following a model of internal shareholding à la Marković, i. e. with certificates that would guarantee them shareholding rights in their own company. Although in theory the new privatisation laws were supposed to guarantee the recogni-

⁶³ Heike Karge, Transnational Knowledge into Yugoslav Practices? The Legacy of the Second World War on Social Welfare Policy in Yugoslavia, *Comparativ. Zeitschrift für Globalgeschichte und vergleichende Gesellschaftsforschung* 20, no. 5 (2010), special issue Katrin Boeckh / Natali Stegmann, eds, Veterans and War Victims in Eastern Europe during the 20th Century. A Comparison, 75-86.

⁶⁴ Xavier Bougarel, The Shadow of Heroes. Former Combatants in Post-War Bosnia-Herzegovina, *International Social Science Journal* 58, no. 189 (2006), 479-490.

⁶⁵ Lejla Sarić, Od ukupne vrijednosti podijeljenih certifikata iskorišteno 1 posto, *Generalni Servis Onasa*, 6 December 1999.

⁶⁶ Timothy Donais, The Political Economy of Peacebuilding in Post-Dayton Bosnia, Abingdon, New York 2005, 9.

⁶⁷ Kate Bayliss, Post-Conflict Privatisation. A Review of Development in Serbia and Bosnia-Herzegovina, Overseas Development Institute, ESAU Working Paper 12, London, August 2005, 43-44, <https://www.odi.org/sites/odi.org.uk/files/odi-assets/publications-opinion-files/2519.pdf>.

⁶⁸ Edin, interview with Calori, *Energoinvest TDS*, Sarajevo, 17 February 2016.

tion of shares purchased between 1990 and 1991 (under the Marković model), it became evident that the representatives of the new management actually had little interest in recognising workers' shareholding. The impossibility of recuperating the shares bought in 1990-1991, in addition to workers' feelings of betrayal in the wake of the full nationalisation of their companies, contributed to a loss of trust in the new privatisation reforms. In turn, although postwar economic reforms in Bosnia envisaged a form of voucher distribution amongst veterans and citizens, these reforms did not foresee their involvement as shareholders.

Another consequence of nationalisation was the direct nomination of new management by the Ministry of Industry. Workers for *Energoinvest* felt that the government-appointed management had less expertise and as a whole lacked interest in the company's growth or reconstruction after the conflict. Muarem, a blue-collar worker at *Energoinvest's* *Livnica* in Tuzla, explained:

'Since this new privatisation started, we felt unequal. Someone new comes to power [in the factory] and sends you to a disciplinary commission only because you are defending workers' rights. And the criteria for which new directors are appointed is which party they belong to, not whether they will start production.'⁶⁹

Although three and a half years of conflict had irreversibly changed companies, workplaces, and the socio-economic landscape overall, workers did not forget that a property transformation had been initiated before the war. The Marković privatisation model of internal employee buyouts had been particularly appealing to workers in late socialist workplaces, as they welcomed a 'transition' to a capitalist market economy that would guarantee them a financial benefit. Thus, upon consultation with their members, unions started proposing a privatisation model that very much echoed what had been initiated in early 1990 and 1991. In one of his first postwar speeches in 1997, the president of the Bosnian Council of Independent Unions (*Savez Samostalnih Sindikata Bosne i Hercegovine*), Sulejman Hrle, remarked:

'Workers are not against privatisation in principle, but they fear that war profiteers, local powers and directors will profit from illegal privatisation. [...] We have proposed a model of privatisation according to which workers would become co-owners of the majority of the capital as shareholders, the workers' model of privatisation.'⁷⁰

Hence, the union repeatedly remarked that workers and especially demobilised soldiers were 'exceptionally interested in the privatisation of companies [...]

⁶⁹ Muamer, interview with Calori, *Livnica Celika*, Tuzla, 9 May 2016.

⁷⁰ Sulejman Hrle's speech at an assembly of the Council of the Independent Unions, 29 September 1997, 4. State Archive of Bosnia and Herzegovina, Documents Collection of the Council of Independent Unions (*Vijeće Saveza Samostalnih Sindikata*), Internal Publication no. 1, 1997-1998.

which they have built as workers during their whole working life'.⁷¹ The way that workers and their unions advocated for a privatisation of companies through shareholding denotes that workers believed in a sort of collective privatisation, which would favour them as the main company stakeholders. In this way, workers supported a form of privatisation which would mostly appeal to their 'belief' or 'moral' system, one in which workers would maintain a prominent role in society through control over their companies. This was a generation of workers who had come to criticise socialist self-management, and yet their value system was imbued with ideas of social justice. Workers grounded many of their hopes and assumptions about 'transition' on the combination of their belief in social justice—through workers' participation—and expectations drawn from 'market modernisation'. Though the war constituted a significant chasm between two distinct systems, the legacy of the Marković reforms was still present in workers' understanding of workplace and property transformations. However, although workers had tried to respond to the situation through numerous strikes, they felt disempowered by a society increasingly dominated by a nationalist party logic. Reflecting on what was happening, a member of the Council of Independent Unions described this transformation as a misinformation-laden deception that was hurting workers:

'This kind of privatisation through shares was presented to us and at a first glance we identified it as the Marković privatisation. [...] That was what we had kept from Tito's system of self-management, that workers can buy their companies and become owners. However, when the war finished and they told us that we once again would get the shares and be owners, it turned out that even my mother-in-law, who never worked anywhere, could become the owner of the firm, because they gave her certificates!'⁷²

Thus workers had maintained ownership expectations over companies that they still perceived as theirs, even though most of the (former) social property, including flats, machinery, and factories, had been nationalised. These expectations endured because they still felt the legacy of the Marković reforms—and, in part, the legacy of Tito's Yugoslavia as well. The postwar reform project seeking the rapid privatisation of formerly socially owned companies clashed with workers' expectations of shareholding and with their attachment to the legacy of late-socialist reforms. However, the new privatisation framework did not succeed in creating cohesive support for economic reforms amongst the workforce, not only because workers feared redundancy and unemployment but because it did not address their support for another kind of privatisation—through shareholding—which had more closely involved them.

⁷¹ Sulejman Hrle's speech at a hearing of the Parliament of the Federation of Bosnia-Herzegovina, 27 August 1996, *ibid.*

⁷² Bajro, interview with Calori, Council of Independent Unions, Sarajevo, 8 July 2016.

Jugoremedija. A Fight for Ownership

Jugoremedija's workers began to transform their 'feeling of ownership' due to the experience of privatisation and the fear of losing their jobs. After the factory was privatised under the new law in 2002, a fraction of the workers who were also shareholders in the company identified themselves as its co-owners. This 'feeling of ownership' was strongly connected to the fight against 'corrupt' privatisation and became a tool for the workers during their struggles; later it would be an active assertion in decision-making processes.

This feeling derived from the uncertainty brought on by the privatisation process. The Slovenian company *Lek* was supposed to buy 42% of the state-owned shares of *Jugoremedija*, while 58% of the ownership would initially remain in the hands of former workers, present workers, and small external shareholders. Workers expected that the privatisation by *Lek* would not significantly change anything; shareholding at that time was just a minor question. Ina, a production worker, recalled:

'I did not know at that time anything about shareholding. I did not find it interesting. Everything was fine for me and I expected that it would go on like this with the cooperation with *Lek* and its purchase. And I did not think about what would happen afterwards.'⁷³

It thus came as a shock to the management and workers when a relatively unknown company, *Jaka 80* from Macedonia, ended up buying the state-owned shares at auction in September 2002. The workers suspected the new owner and general manager of *Jaka 80*, Jovica 'Nini' Stefanović, of being a war profiteer who enriched himself by smuggling tobacco and exploiting his close affiliations with various state officials. One week after the auction, the 'old' management of *Jugoremedija* called for the small shareholders to collectively sell their shares to a brokerage house. The price of the shares would be three times higher than the initial price. This proposal was later abandoned because convincing around 4,400 shareholders to sell their shares was deemed unrealistic. Not all shareholders were situated in *Zrenjanin*; they were scattered across Serbia and the former Yugoslavia, making it difficult to organise such a buyout, and it seemed impossible to collectively sell more than 50% of the company's shares. Even though these first attempts to unite the community of small shareholders failed, some of the workers realised that they could play an active role in determining the fate of the factory and could confront the company's new management: 'Just then we understood that we are a part of it', commented Dušica, a former shop floor worker.⁷⁴

⁷³ Ina, interview with Jurkat, *Jugoremedija*, Zrenjanin, 7 April 2015.

⁷⁴ Dušica, interview with Jurkat, *Jugoremedija*, Zrenjanin, 26 February 2014.

With the establishment of the new management, workers grew even more sceptical due to changing social relations at the firm. The new management's 'hostile' attitude, the changing mode of production, and the pressure on workers' rights made workers increasingly suspicious of company policies:

'Nini was a bit excluding and he behaved in a hostile way in the beginning. Just through this he caused some kind of antipathy. That was the moment when we started to ask around and we understood quite fast what shares are, and then we elected our representatives.'⁷⁵

Workers also reported that the new management favoured higher profits over the quality of the raw materials used in production. Quality standards, once pedantically enforced by the former general managers, now dropped, and this change affected the pride workers took in the things they produced. Ivan stated:

'First, the raw material that arrived was of low quality. [...] In some raw material from India they found a dead pigeon. [...] In former Yugoslavia, the products of *Jugoremedija* were high quality. It came as a shock that we are now producing at such low quality.'⁷⁶

The first open conflict between workers and the new management occurred when the former were forced to terminate their memberships in the trade union of the Council of Trade Unions (*Savez Sindikata Srbije*), and the trade union itself came under pressure to change the collective agreement. In December 2003, the new owner was suspected of having illegally recapitalised the factory and increasing his portion of the company's shares to 62%. Workers felt betrayed: by buying the factory and unlawfully increasing his percentage of the shares, the new owner seemed to be engaged in money laundering. An occupation of the factory followed, as well as lawsuits and demonstrations which lasted for over four years; more than 150 workers were laid off. It was the mistrust in the new management, the influence of local and international activists, and widespread confidence in the strike's leader, Zdravko Deurić, which shaped the protests as a fight to reclaim the factory for the workers.⁷⁷ Deurić, also the chairman of the shareholder community, emphasised that the protests and workplace actions were not solely for better working conditions but for the good of 'their' factory as a whole: 'Here we talk about the struggle between owners of *Jugoremedija*,

⁷⁵ Uroš, interview with Jurkat, *Jugoremedija*, Zrenjanin, 15 April 2014.

⁷⁶ Ivan, interview with Jurkat, *Jugoremedija*, Zrenjanin, 8 September 2016.

⁷⁷ Goran Musić emphasizes how Nebojša Popov, a sociologist and former member of the 'Praxis Group', and the Anti-Corruption Council exerted a great influence on the *Jugoremedija* workers' perception of workers' shareholding and formed their understanding of it. Even though this is true, workers had already expressed the belief that the factories were 'theirs' before Popov became involved in the protests. Also the contributing factors, the changing of working conditions and the process of alienation after the privatisation, are mostly neglected by Musić. Goran Musić, *Serbia's Working Class in Transition 1988-2013*, Belgrade 2010, 49-69, http://arhiv.rosalux.rs/userfiles/files/Goran_Music_Working_Class_Serbia.pdf.

but not about the conflict between owner and workers. And [...] it is clear that we fight for our rights—as workers and as owners.’⁷⁸ In addition, the fight for the factory was connected to the fear of losing jobs. Because the administration of the factory had already been moved to Niš, workers were afraid that the company would be entirely resettled. Talking about their protests, Uroš said: ‘They [other workers in Zrenjanin] never really realised that we are not fighting for our salary. [...] I’m fighting for my job and for my right to live through the property of the factory and that it will survive.’⁷⁹ Even though the protests mounted by *Jugoremedija*’s workers were part of a wider strike wave caused by the consequences of the postsocialist transformation and privatisation in the early 2000s, the fight for property was rather unique to Serbia.⁸⁰ It was seen as the only possibility of rescuing the factory from the bankruptcy and unemployment that other factories in Serbia had experienced.

According to a 2005 decision of the Higher Commercial Court in Belgrade, the privatisation contract with *Jaka 80* was annulled, so that the 42% of the shares were nationalised again.⁸¹ A few months later, Stefanović’s recapitalisation, which had made him the majority owner, was also declared unlawful.⁸² The ‘feeling of ownership’ was transformed into an understanding of a way of managing the factory—not as it had been experienced under Yugoslav workers’ self-management, but rather as envisioned by the laws of the 1990s. As Zdravko Deurić stressed at the meeting of worker-shareholders: ‘We fought for *Jugoremedija*, where we are going to respect the rights of its owners. Together with the other owners we will decide about our fate and we will share the profit we are going to achieve.’⁸³

At the first shareholders’ meeting, the people elected to the management board were mostly *Jugoremedija* workers. Also, the new general manager was a former *Jugoremedija* worker. For some shareholders (mostly pensioners and external, small shareholders), the financial aspect of the shares became even more relevant. Uroš remembered:

‘When we came back to *Jugoremedija* in 2007 as workers then I had the problem that shareholders were calling me and asking when we are going to sell the shares. [...] They wanted to cash in their share, because they already promised their children to buy something for them and everybody was counting on that.’⁸⁴

⁷⁸ Nebojša Popov, ed, *Radno mesto pod suncem. Radničke borbe u Srbiji*, Belgrade 2011, 57.

⁷⁹ Uroš, interview with Jurkat, *Jugoremedija*, Zrenjanin, 15 April 2014.

⁸⁰ Nada Novaković, Štrajkovi u Srbiji od 2000. do 2005. godine, *Sociološki pregled* 39, no. 3 (2005), 309–325, 315, <https://drive.google.com/file/d/0B5PfUtWAVbsKOW9GbnhUSGNFM2s/view>.

⁸¹ Viši Trgovinski Sud u Beogradu, no. H.P. 2609/04, 31 May 2005.

⁸² Trgovinski Sud u Zrenjaninu, no. P. 303/2006, 23 June 2006.

⁸³ Popov, *Radno mesto pod suncem*, 110.

⁸⁴ Uroš, interview with Jurkat, *Jugoremedija*, Zrenjanin, 15 April 2014.

Certain ways of thinking about ownership, productivity, and incentives, which echoed the ideas cultivated in the late 1980s, re-emerged: having shares in a factory will make workers work even harder for its success. Hence, it was not only a matter of fighting for ones' factory, managing it, or being in charge of one's own fate; the opportunity to benefit financially from it was also connected to the 'feeling of ownership'.

Conclusion

From the analysis of property transition through workers' narratives in the two case studies of *Energoinvest* and *Jugoremedija*, a strikingly positive attitude towards workers' shareholding has emerged. Rather than the ideologically charged concept of workers' self-management, it was mostly the shop floor relations of respect and trust, as well as workers' financial investment in the factories' development, that established binding affection towards the Yugoslav workplace. With the first property reforms in the early 1990s, the model of workers' shareholding became particularly appealing to workers. Trusting the management in their decision, and facing prospects of financial benefit, workers approved the first steps of privatisation. This transformation was perceived as a reward for their hard work and contribution to the factory's success. The resilience of a 'feeling of ownership'—as a construct deriving from workers' understanding of the workplace as 'their own'—has informed and influenced the way property reforms are viewed and accounted for. In this context, workers' shareholding has emerged in different moments as a viable and—from a contemporary perspective—a desirable outcome of property transformations.

In the rather exceptional case of *Jugoremedija*, major changes in the social relations internal to their factory, and the threat of a corrupted privatisation, strengthened workers' 'feeling of ownership'. Here, workers' shareholding, initially met with mixed feelings in the 1990s, became a tool to contest corruption after 2002. Conversely, in the case of *Energoinvest*, workers welcomed the transformations of the last socialist government with greater enthusiasm; the disruption brought by the war, and the subsequent irregularities in the privatisation reform, led workers to look at internal shareholding as a legacy of reform socialism, an alternative to the transformations implemented in the postwar setting whose benefits had been denied to them.

In both cases, shareholding is understood as a means to resist a form of privatisation that would exclude workers. Yet only in the case of *Jugoremedija* could shareholding be put into practice, with workers becoming majority shareholders in their own factory. By contrast, in the case of *Energoinvest* shareholding has become a point of contention with the state, as workers feel that they were illegally deprived of their rights during the war, and as a result have lost the

possibility of transforming their 'feeling of ownership' into something financially tangible, namely shares.

In conclusion, in this paper we have sought to elucidate workers' feeling of ownership towards their workplaces, and to trace its permutations throughout the economic transitions during late socialist and postsocialist Yugoslavia. By understanding property relations as a complex interaction of legal, ideological, cultural, and social aspects, we have shown how workers relate to ownership as a defining feature of their working experience. Our analysis sheds light on the intricate correlation among major historical changes, economic policy reforms, and bottom-up reactions to such changes. As we have shown, workers' testimonies are not merely characterised by a nostalgic take on the socialist past, but rather present narratives of reflection, disillusion, and resistance that shape the way they make sense of the very processes of change. Through an in-depth analysis of workers' narratives of transformation, it has been possible to grasp the resilience of a construct—that of workers' shareholding—that continues to shape the postsocialist, post-Yugoslav workplace.

Acknowledgements. The authors would like to thank Augusta Dimou, Sabine Rutar, and André Thiemann for their comments on earlier versions of this paper, as well as the two anonymous reviewers.

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